

# Highlights



BUILDING TRUST | INFLUENCING POLICIES | DELIVERING SOLUTIONS | EastWest Institute's Quarterly Newsletter | WINTER 2013 | [www.ewi.info](http://www.ewi.info)

WORLDWIDE SECURITY CONFERENCE

## RESHAPING ECONOMIC SECURITY

EASTWEST INSTITUTE  
*Forging Collective Action for a Safer and Better World*

The EastWest Institute's 9th Annual Worldwide Security Conference, "Reshaping Economic Security in Southwest Asia and the Middle East" brought together high-ranking participants from 55 countries at the World Customs Organization in Brussels on November 12-13, 2012. EWI Chairman Emeritus Francis Finlay, a key supporter of the event, introduced Finland's former President and Nobel Laureate Martti Ahtisaari, who delivered the opening keynote address. Ahtisaari appealed for the creation of new regional organizations in the Middle East and Southwest Asia to curb conflicts. "The catastrophe of Syria demonstrates this need," he declared. "The nations of Southwest Asia need to work to build a security organization that bridges major divides." [PAGE 2]

>> In this issue:

**CONVENING FOR  
CYBERSECURITY SOLUTIONS**  
**CONTINUING DIALOGUE BETWEEN  
CHINESE AND U.S. LEADERS**  
**CYBER DETENTE BETWEEN  
THE U.S. AND CHINA**  
**EWI LEADER: BOB CAMPBELL**  
**EWI ALUMNUS: VASIL HUDAK**

## Highlights

# Developments

*Latest News from EWI's Initiatives*

# 93%

THINK THAT THE  
CYBERSECURITY  
RISK IS HIGHER  
THAN ONE YEAR AGO



## President's Message

**T**he EastWest Institute in its fourth decade continues to serve as a global change agent network working both on resolving seemingly intractable issues and on strengthening the most critical relationships that underlie peace and growth. This means building trust where little or none exists and seeking collaborative solutions to specific problems. The past quarter is a superb example of how we work to get that done.

In the field of cybersecurity, trust and solutions are in short supply. EWI's 3rd Worldwide Cybersecurity Summit in New Delhi addressed both problems with private and public sector leaders from dozens of countries. They worked together on practical issues that matter—from the release of our *Priority International Communications* report, which presents for the first time a practical plan for connectivity during times of crisis, to practical steps for protecting the undersea cables that form the spine of the global digital economy; from improved methods of battling rising crime against global financial institutions to critical issues on payload security and the cloud.

Similarly, EWI's work on bringing economic security to Southwest Asia took a big step forward at our 9th Worldwide Security Conference in Brussels where key leaders from the Middle East and SW Asia joined together to help map out practical ways of creating economic connectivity and growth for the region. That agenda is being aggressively followed up by our Regional Security Program.

Getting relations right between the United States and China is a key piece of our Strategic Trust-building work. Enormously important interactions between the Communist Party of China and leaders from the two U.S. parties took place in December. An EWI delegation of retired senior military officers visited China for high-level talks with their counterparts, including a groundbreaking first meeting with the new leaders of the Central Military Commission that oversees China's armed forces.

We are proud of the practical and focused work of the institute. We appreciate your participation and support. There is much to do in this new year.

John Edwin Mroz

## Worldwide Security Conference



**> [CONTINUED]** Ahtisaari, who is also a member of EWI's board of directors, addressed approximately 300 high-level policy makers, business executives and public opinion leaders, citing the critical urgency of their work. While Ahtisaari encouraged participants to make specific recommendations on cross-border infrastructure, the water-energy-food nexus, youth unemployment and social marginalization, he emphasized the need for effective peacemaking.

The former Finnish president conceded the difficulties of forming a regional organization. "We know that the issue of Palestine and other big issues, such as Iran's nuclear program, have prevented even the idea of such an organization," he said. "But history shows—as the UN Charter foreshadowed—that regional organizations are a powerful tool in successful conflict resolution and peace building." For now, Ahtisaari added, "the moral imperative" of the Syrian conflict demands more urgent measures. "Perhaps one can recommend a holding action: find a way to get humanitarian access, and to stop the fighting unconditionally, but premised on a commitment to new and fair elections, organized for example by the UN and supported by a substantive UN peacekeeping operation." But he conceded that the immediate chances for any such solution look slight.

The conference was held against the backdrop of the looming 2014 deadline for the withdrawal of NATO troops from Afghanistan as well as the continuing turmoil in the Middle East. Topics for the sessions included: Economic Security and Regional Cooperation; New Directions for Water-Energy-Food Security Policies; Afghanistan and its Neighbors; and the role of private sector investment in the Arabian Peninsula and the Horn of Africa.

For complete story, please see WSC9 insert.

**55%** OF SUMMIT PARTICIPANTS DOUBT THAT THEIR COUNTRY CAN DEFEND ITSELF AGAINST SOPHISTICATED CYBER ATTACKS

**50%**

THINK THAT CORPORATE BOARDS GROSSLY UNDERESTIMATE THE CYBERSECURITY PROBLEM

### Learn More

The report on the New Delhi summit, *Building Trust in Cyberspace*, contains results of an informal poll of participants, where 93 percent expressed the view that the cybersecurity risk is higher than one year ago. It also includes a timeline of EWI's steps toward a more secure cyberspace and a preview of EWI's 4th Worldwide Cybersecurity Trustbuilding Summit in Silicon Valley in 2013. It can be found online at [www.ewi.info/newdelhi2012](http://www.ewi.info/newdelhi2012).



## Convening for **Cybersecurity Solutions**



*More than 300 participants from 22 countries heard from cyber experts from across the globe at EWI's 3rd Worldwide Cybersecurity Summit, which was held in New Delhi on October 30-31, 2012. Both the private and public sectors were well represented in high-level panel discussions and breakthrough groups.*

This multifaceted, international summit in India, a country which has emerged as a key center of private and public cyber innovation, underscores the importance of trust-building among Eastern and Western nations as well as between governments and private firms.

"We are all in the room today because we recognize that India is an essential partner on cybersecurity," noted Ross Perot, Jr., chairman of the

EastWest Institute.

At the summit, top authorities from industry and government agreed that the rapid pace of technological change has triggered a corresponding leap in exposure to vulnerabilities that can be exploited by cyber criminals.

This has also raised fears about government intrusion that could threaten privacy and individual freedoms. Michael Chertoff, former U.S. Secretary of Homeland Security and

EWI board member, pointed out how complicated many of these issues have become. "You cannot have privacy without security," he said, while acknowledging the legitimate fears that some governments will attempt to control Internet content.

High-ranking Indian officials—among them, Deputy National Security Advisor Latha Reddy and Secretary R. Chandrashekar of the Department of Telecommunications—not only participated in the summit but

also helped frame key issues on the agenda.

The summit, which was widely covered by both Indian and international news media, aimed to produce concrete recommendations for industry and government that, if implemented, will have significant impact in making cyberspace and the real world more stable and secure. The process is set to continue at the 4th Worldwide Cybersecurity Trustbuilding Summit, to be held in Silicon Valley in November 2013.



# Developments



## Continuing Dialogue between Chinese and U.S. Leaders



*The EastWest Institute's work in building trust between the United States and China continues to make significant progress, addressing major concerns in the potentially volatile relationship between these two great powers.*

**T**he institute continues to facilitate ongoing dialogues between former and current high-level members of both governments, including political party leaders, military officials and academics.

Most recently, EWI coordinated a series of meetings between high-level officials from the Chinese Communist Party (CPC) and senior Democrats and Republicans as well as American private sector

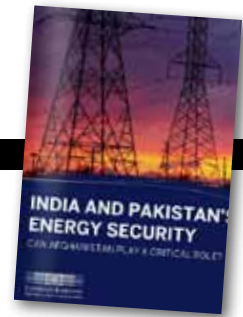
leaders from December 5-12. The meetings, conducted on an off-the-record basis, took place in Utah, Colorado, and Washington, D.C.; they made up the 5th U.S.-China High-Level Political Party Leaders Dialogue organized by EWI. Previous rounds of this dialogue have alternated between China and the United States.

This was the first installment of this dialogue series to take place after

the U.S. presidential election and China's recent leadership transition.

"This round of the dialogue allowed political elites from both countries to obtain valuable insights into mutual expectations of U.S.-China relations following the important political developments in their respective countries this year," said David Feinstein, EWI's vice president for Strategic Trust-building and Track 2 diplomacy.





## India and Pakistan's Energy Security

In a new EWI report, Danila Bochkarev argues that power shortages in the region can be addressed by transforming Afghanistan into a trade and transit hub.



## U.S. and Chinese Retired Military Officers Meet

On December 20, 2012, the EastWest Institute facilitated the latest dialogue in the U.S.-China Sanya Initiative, hosted by the China Association for International Friendly Contact (CAIFC) in Beijing. The purpose of this discussion series is to bring together U.S. and Chinese retired military officers. Notably, this was the first delegation from the United States to meet with China's Central Military Commission (CMC) leaders since their selection in November.

Over the course of the meetings, the Chinese and U.S. officials reaffirmed the importance

of strengthening U.S.-China military-to-military relations, and of building strategic trust between the two countries and their militaries.

Issues discussed included U.S. defense policy under a second Obama administration; the South and East China Seas; Taiwan; cybersecurity; and prospects for a regional mechanism focused on addressing the myriad security challenges in Northeast Asia.

## New Report on Cyber Detente between the U.S. and China

It's no secret that the United States and China have a contentious relationship when it comes to their cyber capabilities

and intentions. But according to *Cyber Detente Between the United States and China: Shaping the Agenda*, these two countries have common cyber concerns that could bring them to the table to lay the groundwork for diplomatic exchanges and solutions, avoiding an escalation of aggressive strategies from either country.

The authors point out that through Track 2 processes some very useful preparatory work has already taken place. However, they argue that the diplomacy—both official and unofficial—needs to be more intense, cover more concrete problems and involve a larger number of people on both sides, especially from the military and private sector. The paper calls for a fresh appraisal of the impact of both countries' military cyber policies.

## Progress in Repair of Undersea Communication Cables in India

Since the beginning of its Worldwide Cybersecurity Initiative, the EastWest Institute has advocated for major efforts to improve the reliability and security of international communications cables based on the 12 recommendations made in a joint IEEE-EWI report on the *Reliability of Global Undersea Communications Cable Infrastructure (ROGUCCI)*.

Recent articles in the Indian media have brought this critical issue to light. Reporting on a note from India's Department of Telecommunications, *The Hindu Business Line* writes that "whenever, there is a cable cut, besides the huge revenue loss, it results in a loss of 50-60 per cent of the connectivity."

India, the site of EWI's 3rd Worldwide Cybersecurity Summit, has long provided substandard repairs to these critical undersea cables, often taking weeks or months when best-in-class performances have repaired damaged cables in days. The same article noted that "the repair time taken for the undersea cable in Indian waters is comparatively higher than in other countries due to the large number of clearances and permissions required."

"News of this progress in India is very encouraging," said Karl Rauscher, EWI's chief technology officer and author of the ROGUCCI Report. "Reducing the duration of service-impacting events affecting international connectivity is [a top priority] for improving the stability of the Internet at a global level."



## Learn More

Read the report at  
<http://www.ewi.info/cyber-detente-between-united-states-and-china>

## Highlights

# Change Agents

## *People from EWI's Past and Present*

### EWI Leader: **Bob Campbell**

*Chair of the Advisory Council of the Lyndon Johnson School of Public Policy at the University of Texas at Austin*

**B**ob Campbell finds that EWI's work offers "the opportunity to have lengthy, detailed, substantive discussions outside the glare of the media and outside the pressure of special interests." He says that the "off-the-record, quiet, collaborative discussions go quite a ways towards building an underlying level of mutual trust."

Campbell first became associated with the institute five years ago, at an event in China. "[Former U.S. Secretary of Homeland Security] Tom Ridge and I were in Beijing together on a good-will tour," he explains. "John Mroz had invited us to sit in on an early stage discussion on cybersecurity with some Chinese lead-

ers. That discussion, and some subsequent agreements that were developed, were the foundation for EWI's future work in cybersecurity."

A veteran of Deloitte LLP, Campbell has applied his extensive experience in public sector services to the institute's programmatic activities. A director for less than a year, Campbell has been involved in some of the institute's most high-impact initiatives, especially high-level dialogues between U.S. and Chinese officials and EWI's global cybersecurity work.

He took active roles in the three World-wide Cybersecurity Summits in Dallas (2010), London (2011) and New Delhi (2012). And he accompanied a delegation from the

Chinese Communist Party during their visit to Utah, Colorado and Washington, D.C. as part of EWI's 5th U.S.-China High-Level Political Party Leaders Dialogue held this past December.

Discussing the cybersecurity program, Campbell says he is "pleased and impressed with the leadership role EWI has played in building multinational collaboration on a number of issues that represent real, tangible threats that—without EWI's role—could be a significant concern to many countries and corporations."

The institute greatly looks forward to working with Campbell on these and other projects in the future.





## David Firestein discusses U.S.-China relationship

Writing for the *Straits Times*, David Firestein, EastWest Institute's vice president for Strategic Trust-Building and Track 2 Diplomacy, discussed the implications of Barack Obama's re-election for U.S.-China relations. The president's re-election

and a continued U.S. focus on the Asia-Pacific region is, according to Firestein, a "good news, bad news" scenario for Chinese analysts. On the one hand, he notes, "Chinese leaders probably welcome the renewed attention on the Asia-Pacific region and on

a bilateral relationship that they, too, generally regard as the most important in the world today."

The downside, notes Firestein, is that such attention is not perceived as entirely benign.

"Many Chinese analysts see cause for wariness in the evident upgrading of America's military presence in the Asia-Pacific region," he writes. Instead, "they see a pattern of moves seemingly designed to check, or even 'contain' China."

## EWI Alumnus: **Vasil Hudak**

*State Secretary, Slovak Ministry of Finance.*



### **How did you first become involved with EWI?**

In 1990, the year after the Velvet revolution in Czechoslovakia, I joined the Ministry of Foreign Affairs in Prague. John Mroz came to Prague in May or June for a series of meetings. I still remember arguing with John because he was afraid that Czechoslovakia would break up into two countries, the Czech Republic and Slovakia, which as you know did happen in three years. At that point, I thought it was impossible. As usual, John was right. By the end of 1990, I joined EWI as an assistant to Stephen Heintz, the first director of the European Center in Prague.

### **Tell us about the projects you worked on at EWI's Prague Center.**

I was engaged in organizing many events covering international security, democracy building and the creation of political parties in the post-Communist countries. A major breakthrough came with the Carpathian Euroregion project, which I designed and managed starting in 1992.

### **What other experiences did you have during your time at the institute?**

In 1993 I relocated to Georgia, where I established the EWI European Center in Atlanta. Later, I became director of the EWI's Program on Regional Development and Transfrontier Cooperation. In 1996 I returned to Prague where I became director of the EWI Prague Center. Starting in 2000, I was director of the Brussels Center of the institute for four years. I left EWI in 2006, when I joined Citibank.

### **How does your past work at EWI relate to your current government position?**

At EWI, I gained an understanding of the critical parts of global society, how they are interlinked and how they act. At the Slovak Ministry of Finance, I'm in charge of all international aspects, including top-level activities with European and global finance officials. My work at EWI was the best possible "school" for such a job!

## **Andrew Nagorski reviews *The Devil in History in Foreign Affairs***

Writing for the January/February 2013 issue of *Foreign Affairs*, EWI Vice President and Director of Public Policy Andrew Nagorski reviewed *The Devil in History: Communism, Fascism, and Some Lessons of the Twentieth Century*. The book, written by Vladimir Tismaneanu, a political scientist at the University of Maryland, College Park, outlines some of the key similarities and differences between the 20th century's two most destructive ideologies.

In his review, Nagorski notes that despite surface-level differences, both communism and fascism are ultimately unified in their need of the state to "ruthlessly eliminate its ideological opponents, along with anyone deemed sympathetic to them in either thought or deed." This "infinite elasticity," writes Nagorski, leads to state-sanctioned mass murder under both systems.

The book finds high praise. Tismaneanu "reinvigorates important debates about not only past ideologies but also present ones." Nagorski notes that even the work's denser passages "are infused with the passion of someone who has lived and breathed his subject."

## Highlights

# ComingUp



Your contributions help EWI make the world a safer and better place. Visit [ewi.info/support](http://ewi.info/support) to learn more.



**January 31** Washington, DC  
**Prospects of the East Africa Energy Market**

The EastWest Institute and Galup are hosting a panel discussion to discuss the implications of East Africa's emergence as a leading oil and gas producer, the result of fresh discoveries that have brought new hope to the region.

**February 22** New York, NY  
**Ways to Integrate Efforts in Furthering Water Dialogue and Cooperation**

With a view to shape and develop follow-up measures on the implementation of the UN's Year of Water Cooperation, 2013, the EWI will complement the official process by engaging with experts and key stakeholders in government, international organizations, the private sector,

civil society and academia. The purpose is to seek new ideas for effective and mutually beneficial solutions to water resource challenges that underlie peace, security and stability.

**February 25-27** Abu Dhabi  
**Abu Dhabi Process on Economic Security: The Potential for Afghanistan to Act as an Economic Land Bridge in Asia**

This meeting will address the question of infrastructure development in Afghanistan as a stimulant for increased trade relations and enhanced economic cooperation in the region, bridging South Asia and Central Asia. Participants will include senior officials of relevant countries (Afghanistan, Pakistan, India, Uzbekistan, Tajikistan, Turkmenistan), leading private sector individuals, experts and MPs.



**EastWest Institute  
New York Center**

11 East 26<sup>th</sup> Street, 20<sup>th</sup> Floor  
New York, NY 10010  
United States of America

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